

Where do you find the money? And, what do you need to do to obtain it? This guide is designed to answer these questions. Specifically, this guide explains:

- What you need to do before looking for money
- What kinds of financing exist
- How to obtain a loan
- What any lender/investor wants to see from you
- What those financing terms mean

This guide is designed to put you in the “driver’s seat” to create a plan that will help you find money to start or expand a business. Rather than just going for the “best” or most financing you can get, you will learn to identify the financing that is right for your business. This money, known as **capital**, is a critical part of creating a successful company. But it’s not the only part. Lots of experts

**Capital:** Money or property owned or used in business. Capital is often referred to in the context of the money used to fund business start-up. In a broader sense, this term can also mean the assets of a business. In accounting, capital is the sum of long-term debt and equity.

will tell you that the real key to success is a good entrepreneur. “Good” can mean a lot of things, but it generally includes some or all of the following:

- A good business idea. This generally means that you have an idea about how to provide a product or service that is faster, better, or cheaper than what can be found today.
- Some previous experience or knowledge of your industry or sector. If you don’t have this

The Small Business and Technology Development Center publishes a report entitled “Capital Opportunities for Small Businesses” that provides information about specific funding sources in North Carolina, including microlenders, government programs, angel funds, and others. Fueling Your Business” is a companion to the SBTDC publication. You can find the Capital Opportunities report on-line at [www.sbtcdc.org](http://www.sbtcdc.org).

experience yourself, find a mentor, partner, or employee who does!

- Passion and commitment. Good entrepreneurs don’t view their businesses as their “job.” It is their livelihood. They work hard!

You’ll notice that money is not included in our definition of a “good” entrepreneur. Money does not make a good entrepreneur or successful business. It can help a strong entrepreneur with a good business idea be more successful or grow faster. If you’ve done the hard work of developing a strong business idea, outside money can be critical. That’s the purpose of this guide: to help you identify sources of financing *after* you have developed a good business concept. If you don’t yet have a strong business idea, you need to think more deeply about why you want to start your own company and about potential new business concepts. If you’ve done this part already, read on. This guide is designed to help you think more carefully about whether you need outside money

The Small Business Administration (SBA) website has a Small Business Planner that offers information and resources for businesses at every stage of development. You will find sample business plans, learn about buying a franchise, and get information on financing growth. <http://www.sba.gov/smallbusinessplanner/index.html>

Certain financial terms used in this guide are defined in the guide. For other terms related to finance, you can find a good glossary at <http://www.eventuring.org/eShip/appmanager/eVenturing/eVenturingDesktop>. Click on the “glossary” button on the left side of the page.